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8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 STATE OF ARIZONA, ex rel. THOMAS C.
HORNE, Attorney General,

11 Plaintiff,

12 -vs-

13 LANCASTER ARMS, LLC, an Arizona
14 limited liability company, and CHESTER G.
15 DURDA and MARSHA DURDA, husband
and wife,

16 Defendants.
17

Case No: CV2011-021514

STIPULATED CONSENT JUDGMENT

(Assigned to Hon. Hugh Hegyi)

18 The State of Arizona, having filed a complaint alleging violations of the Arizona
19 Consumer Fraud Act, Arizona Revised Statutes ("A.R.S.") § 44-1521, et seq., and the
20 Defendants Lancaster Arms, LLC and Chester and Marsha Durda having been fully advised of
21 the right to a trial in this matter and having waived the same, admit that this Court has
22 jurisdiction over the subject matter and the parties for purposes of entry of this Consent
23 Judgment and acknowledge that this Court retains jurisdiction for the purpose of enforcing this
24 Consent Judgment.

25 The Defendants have agreed to a voluntary compromise of disputed claims, and the State
26 of Arizona and the Defendants have agreed on a basis for the settlement of these matters in

1 dispute.

2 The Defendants deny the State's claims in its complaint that they violated the Arizona
3 Consumer Fraud Act. This Consent Judgment does not constitute an admission by the
4 Defendants for any purpose of any violation of any state law, rule or regulation nor does this
5 Consent Judgment constitute evidence of any liability of the Defendants. This Consent
6 Judgment is made without trial or adjudication of any issues of fact or law or finding of liability
7 of any kind.

8 PARTIES

9 1. The Plaintiff is the State of Arizona, ex rel. Thomas C. Horne, Attorney General,
10 who is authorized to bring this action under the Arizona Consumer Fraud Act, A.R.S. § 44-
11 1521, *et seq.*

12 2. Defendant Lancaster Arms, LLC ("Lancaster Arms") is an Arizona limited
13 liability company that manufactures and sells guns and rifles to consumers, as well as parts and
14 accessories for such weapons, assembles weapons kits, and provides warranty work on the
15 products it manufactures.

16 3. Defendants Chester G. Durda and Marsha Durda, husband and wife, are the
17 owners of Lancaster Arms and Chester Durda directs its operations and activities.

18 ORDER

19 1. The terms of this Order apply to Lancaster Arms, LLC and any person acting in
20 concert with or on behalf of it, as well as to the individual Defendants Chester Durda and
21 Marsha Durda.

22 2. The Defendants shall comply with the Arizona Consumer Fraud Act, A.R.S. § 44-
23 1521 *et seq.*, as it is currently written, and as it may be amended.

24 3. The Defendants shall, jointly and severally, pay the Attorney General's Office
25 the sum of sixty-seven thousand dollars (\$67,000) as consumer restitution to eligible
26 consumers. For purposes of this Consent Judgment, "eligible consumers" means consumers

1 who filed a complaint with the Office of the Arizona Attorney General on or before the date
2 this Consent Judgment is submitted to the Court for its approval. In the event the amount
3 ordered as restitution herein is not sufficient to fully restore eligible consumers the amounts
4 they paid for products or services sold to them by Lancaster Arms, the amount shall be
5 distributed to them on a pro rata basis. In the event that any portion of the restitution ordered
6 herein cannot be distributed to eligible consumers, or exceeds the amount of restitution, such
7 portion shall be deposited by the Attorney General into the consumer protection-consumer
8 fraud revolving fund in accordance with A.R.S. § 44-1531.01 and used for the purposes
9 specified therein.

10 4. Without admitting any liability, the Defendants shall, jointly and severally, pay the
11 Attorney General's Office three thousand dollars (\$3,000) as investigative costs and attorneys
12 fees pursuant to A.R.S. § 44-1534, and said amount shall be deposited by the Attorney General
13 into the consumer protection-consumer fraud revolving fund in accordance with A.R.S. § 44-
14 1531.01 and used for the purposes specified therein.

15 5. The payments ordered herein shall be made payable to the Office of the Arizona
16 Attorney General according to the following schedule:

17 Within one hundred and eighty (180) days from the date this Consent Judgment is
18 approved by the Court, an initial payment of five thousand dollars (\$5,000), with subsequent
19 payments every thirty (30) days thereafter of two thousand dollars until the full amount ordered
20 herein is paid.

21 The amounts received by the Office of the Attorney General pursuant to this
22 Consent Judgment shall be deposited into an interest bearing trust account and shall
23 subsequently be distributed by the Attorney General's Office first as restitution and then as costs
24 and fees.

25 6. In the event of a default of any payment obligation imposed by this Consent
26 Judgment, and in addition to any other relief or remedy elected or pursued by the State, all

1 payments set forth herein shall be accelerated and shall become due and owing in their entirety
2 as of the date of the default, with interest accruing at the rate of ten percent (10%) per annum for
3 the full amount owing as of that date.

4 7. The Defendants shall not represent or imply that the Attorney General, the State of
5 Arizona, or any agency thereof has approved any of their actions in Arizona or has approved any
6 of their past, present or future business practices in Arizona, and the Defendants are enjoined
7 from directly or indirectly representing anything to the contrary.

8 8. This Court retains jurisdiction of this matter for the purposes of entertaining an
9 application by Plaintiff, State of Arizona, for the enforcement of this judgment.

10 9. This Consent Judgment may be modified or vacated by order of this Court. After
11 providing at least thirty (30) days written notice and after making a good faith effort to obtain
12 concurrence of the other parties for the requested order to modify or vacate, which concurrence
13 shall not be unreasonably withheld, the party seeking an order to modify or vacate may petition
14 this Court therefore. The Court will modify or vacate this Consent Judgment upon a showing of
15 good cause.

16 10. Before initiating any proceeding to enforce this Consent Judgment, the Attorney
17 General shall provide at least thirty (30) days written notice to the Defendants to provide them a
18 reasonable opportunity to cure any alleged violation. Whenever possible, the parties shall seek
19 to resolve an alleged violation of this Consent Judgment by discussion. In addition, in
20 determining whether to enforce this Consent Judgment or to seek an order for monetary, civil
21 contempt, or any other relief or sanction, the Attorney General shall give good faith
22 consideration to whether the Defendants have taken corrective action designed to cause the
23 claimed violation to be cured and to prevent future occurrences.

24 11. The State acknowledges by its execution hereof that this Consent Judgment
25 constitutes a complete settlement of its allegations against the Defendants and it agrees that it
26 shall not institute any additional civil action against any of them based on their alleged

1 violations of the Arizona Consumer Fraud Act, as described in the State's Complaint.

2 12. Notwithstanding the foregoing, the State may institute an action or proceeding to
3 enforce the terms and provisions of this Consent Judgment or to take action based on future
4 conduct by any of the Defendants.

5 13. This Consent Judgment is entered as a result of a compromise and a settlement
6 agreement between the parties. Only the parties to this action may seek enforcement of this
7 Consent Judgment. Nothing herein is intended to create a private right of action by other parties.

8 14. This Consent Judgment shall not limit the rights of any private party to pursue any
9 remedies allowed by law.

10 DATED this _____ day of _____, 2012

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13 _____
14 Judge of the Superior Court
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1 **CONSENT TO JUDGMENT**

2 1. The Defendants state that no promise of any kind or nature whatsoever was made
3 to them to induce any of them to enter into this Consent Judgment and that they have entered
4 into the Consent Judgment voluntarily.

5 2. The Defendants have fully read and understood this Consent Judgment,
6 understand the legal consequences involved in signing it, assert that this is the entire agreement
7 of the parties, and that there are no other representations or agreements not stated in writing
8 herein, and no force, threats, or coercion of any kind have been used to obtain their signatures.

9 3. The Defendants acknowledge that Plaintiff's, State of Arizona's, acceptance of
10 this Consent Judgment is solely for the purpose of settling this litigation and does not preclude
11 the Plaintiff, or any other agency or officer of this State, or subdivision thereof, from instituting
12 other civil or criminal proceedings as may be appropriate now or in the future.

13 4. Lancaster Arms, LLC represents and warrants that the person signing below on its
14 behalf is duly appointed and authorized to do so.

15
16 DATED this 17 day of September, 2012

17
18 **Lancaster Arms, LLC**

19 By: 

20 Chester Durda, Manager

21 
22 Chester Durda

23 
24 Marsha Durda

25 **APPROVED AS TO FORM AND CONTENT:**

26 **Thomas C. Horne**
Attorney General

By: 

Cherie L. Howe
Assistant Attorney General
Counsel for Plaintiff

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Granted

Signed on this day, September 18, 2012



/S/ Randall Warner
Judicial Officer of Superior Court